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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re

Chapter 11

GENERAL MOTORS CORP., *et al.*,

Case No. 09-50026 (REG)

Debtors.

(Jointly Administered)

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**LIMITED OBJECTION OF RECARO NORTH AMERICA, INC. TO THE MOTION OF
DEBTORS AND DEBTORS IN POSSESSION PURSUANT TO SECTIONS 105, 363,
AND 365 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 6004,
AND 6006 FOR AN ORDER AUTHORIZING THE ASSUMPTION AND ASSIGNMENT
OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND THE
NOTICE OF FILING OF SCHEDULE OF CERTAIN DESIGNATED SUPPLIER
AGREEMENTS AND CURE COSTS RELATED THERETO**

RECARO North America, Inc. (“RECARO”), by its undersigned counsel, hereby objects on a limited basis (“Objection”) to the Motion for Sale of Property under Section 363(b)/Debtors Motion Pursuant to 11 U.S.C. §§ 105, 363(b), (f), (k), and (m), and 365 and Fed. R. Bankr. P. 2002, 6004, and 6006, to (I) Approve (A) The Sale Pursuant to The Master Sale and Purchase Agreement with Vehicle Acquisition Holdings LLC, A U.S. Treasury-Sponsored Purchaser, Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (B) The Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (C) Other Relief; and (II) Schedule Sale Approval Hearing (Docket No. 92) (“Sale Motion”) and the Notice of Debtors’

Intent to Assume and Assign Certain Executory Contracts, Unexpired Leases of Personal Property, and Unexpired Leases of Nonresidential Real Property and Cure Amounts Related Thereto (“Notice of Assumption”).

In support of its Objection, RECARO respectfully states:

BACKGROUND

1. On June 1, 2009, Debtors filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code (“Petition Date”).

2. On June 1, 2009, Debtors filed its Sale Motion.

3. In the Sale Motion, Debtors petitioned the Court to approve a proposed sale of substantially all of its assets to Vehicle Acquisitions Holdings LLC, a purchaser sponsored by the United States Department of Treasury, pursuant to the Master Sale and Purchase Agreement and related agreements (the “MPA”), to approve proposed bidding procedures to govern the sale process, and to approve procedures for assuming and assigning contracts to the successful bidder, including supplier contracts, like the one at issue in this Objection.

4. On June 2, 2009, this Court entered an order (the “Bidding Procedures Order”) approving the Debtors’ procedures regarding Debtors’ assumption and assignment of executory contracts.

5. On June 5, 2009, the Debtors’ sent the Notice of Assumption to RECARO by first-class mail listing the contracts to be assumed or assigned (“Assumable Executory Contracts”) indicating that the Debtors intend to assume and assign certain of the Debtors’ agreements with RECARO (the “Assumed Contracts”). The Debtors amount claimed to be owed under the Assumed Contracts (the “Proposed Cure Amount”) is significantly less than what is actually owed under the Assumed Contracts.

6. Accordingly, RECARO objects as follows:

OBJECTIONS

7. RECARO objects to the Sale Motion and Notice of Assumption on the following grounds:

a. The Proposed Cure Amount is substantially less than the amount that was in default on May 31, 2009. According to RECARO's books and records of account the cure amount is \$28,268.00 (the "Actual Cure Amount"). This amount remains subject to RECARO's continuing review and reconciliation and is subject to change. A change may also be warranted because the Debtors have continued to "update" Contract Website and modified the contracts it intends to assume and assign. In the event the Debtors or other parties in interest require additional information about the Actual Cure Amount, that information can be provided upon request to the undersigned counsel.

b. In addition to the Actual Cure Amounts set forth subparagraph (a) above, under Section 365(b) the Debtors must cure all defaults existing as of the time of assumption.

c. In the event that the purchaser is an entity other than the Purchaser defined in the Assignment Notice, RECARO requests that the Debtors provide it with proof of adequate assurance that such alternative purchaser will perform the Debtors' obligations under the Assumed Contracts. The contracts cannot be assumed or assigned without an adequate assurance of future performance by the debtor. 11 U.S.C. § 365(b)(1); *In re Luce Industries, Inc.*, 14 B.R. 529 (S.D.N.Y. 1981).

8. RECARO reserves its right to amend this Objection to include any additional facts, including updated Cure Amounts, as may be determined by its further investigation.

9. Any reply to this Objection should be served upon Gordon Toering at the address listed below.

MEMORANDUM OF LAW

10. The legal bases of RECARO's Objection are incorporated above. Therefore, RECARO respectfully requests that this Court deem it satisfactory, or in the alternative, waives any further requirement of the filing of a separate memorandum of law in support.

RESERVATION OF RIGHTS

11. RECARO hereby reserves the right to amend, supplement or modify this Objection as necessary and proper, and to raise any additional objections to any proposed assumption and assignment of RECARO's Assumable Executory Contract and the proposed Cure Amounts related thereto.

CONCLUSION

WHEREFORE, RECARO respectfully requests that this Court enter an (1) requiring the Debtors to amend its Proposed Cure Amounts to comply with Section 365 and to pay the Correct Cure Amount plus any additional amounts owing, (2) preserving RECARO's right to object to the Cure Amount, and (3) providing RECARO with such other relief as appropriate.

Dated: June 12, 2009

/s/ Gordon J. Toering
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